
Memorandum

To:
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CDFW

From:
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Date: December 4, 2017

Subject: Petersen Ranch Mitigation Bank Amendment [USACE: SPL-2012-00669,
CDFW: 1798-2013-04-R5]

Attachments:

1. Exhibit C-1 Appendix A: Development Plan Figures 63-66
2. Exhibit D-5: Long-term Management Plan
 - Exhibit D-5 Appendix B: Grazing Plan
3. Exhibit E-4.6: Conservation Easement Area F
 - Exhibit E-4.6 Exhibit D: Spineflower Easement Agreement
 - Exhibit E-4.6 Exhibit E: Subordination Agreement
 - Exhibit E-4.6 Exhibit F: San Fernando Valley Spineflower Introduction Plan
4. Exhibit F-1: Credit Evaluation

Dear Interagency Review Team,

This memorandum summarizes changes requested as an amendment to the Petersen Ranch Mitigation Bank Enabling Instrument (BEI), which was approved on May 11, 2016. This amendment is pursued by the Petersen Ranch Mitigation Bank Sponsor, LV Lake Elizabeth, L.L.C. ("Bank Sponsor"), to allow for the introduction of San Fernando Valley spineflower (*Chorizanthe parryi* var. *fernandina*) ("Spineflower") within the Bank Property. The Spineflower is State listed endangered under the California Endangered Species Act (CESA) and Federally proposed threatened under the Endangered Species Act (ESA).

Spineflower will be introduced, monitored and maintained in the Spineflower Introduction Area ("Introduction Area") by the Newhall Land and Farming Company LLP ("Newhall"). An easement over the Introduction Area and the right to access the Introduction Area on foot, was granted to Newhall by the Bank Sponsor to Newhall in an easement agreement ("Agreement") dated September 7, 2017. The Agreement will be recorded with the County of Los Angeles following approval of this amendment by the Interagency Review Team (IRT). The Agreement will be recorded prior to the recordation of the conservation easement over Area F of the Petersen Ranch

Mitigation Bank (Exhibit E-4.6 of the BEI, Area F Conservation Easement), as such, the Agreement shall be subordinated to the future Area F Conservation Easement. The acreage of the Introduction Area will not generate bank credits.

In addition, the Property Owner has identified additional existing infrastructure that was not shown on the infrastructure maps in the BEI (Exhibit D-5, Figures 9 and 10). This consists primarily of existing waterlines in mapped roadways, overhead power lines, and wells. While most of these infrastructure items are in Areas B, C, D, and F, some existing unmapped infrastructure items have been identified in Areas A and E, which are already under the conservation easement. The Property Owner is currently updating the infrastructure maps to include these omitted items and will be requesting your approval of the updated Exhibit D-5 as part of this BEI amendment.

The following documents include changes in pursuit of this amendment:

- Exhibit C-1 Appendix A: Development Plan Figures 63-66
- Exhibit D-5: Long Term Management Plan
- Exhibit D-5 Appendix B: Grazing Plan
- Exhibit E-4.6: Conservation Easement Area F
- Exhibit F: Credit Evaluation

In addition, three new documents are submitted for IRT reference. They are attached to this document, and include:

- Spineflower Introduction Plan
- Spineflower Easement Agreement
- Subordination Agreement

Changes to the BEI exhibits are summarized below:

Development Plan Figures 63-66 (Exhibit C-1 Appendix A of the BEI)

- Figures 63-66 of the Development Plan, which show creditable areas of the Bank and the type of mitigation planned for each area, have been updated to remove the Introduction Area from the creditable areas.

Long Term Management Plan (Exhibit D-5 of the BEI)

The Long Term Management Plan has been altered in several places to accommodate for the introduction, management, and maintenance of Spineflower.

- Section 2.1.6 includes a new paragraph describing the Easement, its purpose, and its history.
- Section 2.2.3, paragraph 1 includes a new sentence detailing how a new special-status species (Spineflower) will be introduced, monitored, and managed onto and on the Elizabeth Lake Bank Property.
- Section 4.0 includes a new paragraph explaining how and why the management and maintenance of the Introduction Area lies with Newhall, as per the Agreement of September 7th, 2017.
- Figures 9 and 10 have been updated to include all of the infrastructure including the new cattle exclusion fencing surrounding the Introduction Area.

Grazing Plan (Exhibit D-5 Appendix B of the BEI)

- Figures 2, 5, 6, 9, 10, and 12 have been updated to remove the Introduction Area from the grazing areas in Area F.
- The acres, favorable year AUM, and unfavorable year AUM in Table 1 have been updated for pasture 8 to exclude the Introduction Area.
- Language has been added to the Cattle Exclusion Areas section of the Grazing Plan describing that the Introduction Area will have cattle exclusion fencing erected around it, but that this fencing will be monitored and maintained by Newhall.

Conservation Easement (Exhibit E-4.6 of the BEI)

- Two new recitals — Recitals H and I — have been added to the recital section. These recitals read:
 - *I. LV Lake Elizabeth, LLC, has granted to Newhall Land and Farming Company ("Newhall") a 6.76 acre easement ("Easement") to enable Newhall to perform seeding trials, introduction, monitoring, and perpetual maintenance of San Fernando Valley Spineflower (Chorizanthe parryi var. fernandina) ("Spineflower"), as described in the Spineflower Easement Agreement ("Agreement") dated September 7, 2017. This easement includes perpetual pedestrian access from Lake Elizabeth Road to the Introduction Area.*
 - *J. Pursuant to that certain San Fernando Valley Spineflower Introduction Plan ("Introduction Plan") dated as of August 2017 prepared by Dudek, which has been provided to Grantor and is incorporated by reference herein, Newhall plans to carry out a conservation program pursuant to which Newhall shall, among other things, perform seeding trials and subsequently introduce, monitor, and perpetually manage Spineflower within a portion of the Property depicted on Exhibit C.*
- Section 1 includes a new sentence that includes information about how the Spineflower Easement will be incorporated into the Petersen Ranch Mitigation Bank Area F Conservation Easement. This sentence explains that management and maintenance of the Introduction Area is the responsibility of Newhall.
- Section 2.b permits the Grantee the right to enter the Property at reasonable times in order to enforce the terms of the Introduction Plan.
- Section 3 —Prohibited Uses—includes two new subsections and several edits.
 - The first new subsection is section 3.q, and prohibits the release, or consent to release, of any Hazardous Materials in the Introduction Area.
 - The second new subsection—Section 3.r—explains that any activities within the Introduction Area, which could interfere with the persistence of Spineflower, are also prohibited.
 - Sections 3.a, 3.c, 3.d, 3.g, 3.k, 3.l, and 3.m have had the Introduction Plan added to this list of documents to be consulted regarding each of those parts and their associated rules.

- Section 5 incorporates new language explaining that the management and maintenance of the Introduction Area lies with Newhall and that the LV Lake Elizabeth, LLC shall allow pedestrian access through Bank Property to the Introduction Area. In addition, this section includes language explaining that the balance of the Property shall be managed according to the IRT-approved Interim Management Plan and Long-term Management Plan. Finally, new language also clarifies that, if Newhall becomes unable to perform their agreed upon duties, their rights as described in the Agreement shall terminate. In such case, management of the Introduction Area will be passed to the Grantor, who will manage it according to the Long-term Management Plan.
- Section 6.c now includes language that extends the right to maintain or replace infrastructure to Newhall, so that they can, as needed, replace fencing surrounding the Introduction Area as per the Introduction Plan.
- Section 12 adds Newhall to the list of parties to be notified for any notice, demand, request, consent, approval, or other communication.

Credit Evaluation (Exhibit F-1 of the BEI)

- Total creditable acres and total acres subject to easement have been updated to include the Introduction Area in the acres subject to easements and to remove the Introduction Area from the creditable acres.
- Tables 1, 3, 6, and 7 have been updated to remove credits that are within the Introduction Area.
- Exhibits F-1.3.1, F-1.3.3, F-1.3.5, and F-1.3.7 (credit figures) have been updated to remove credits from within the Introduction Area.
- Exhibit F-1.2: Credit Crosswalk has been updated to remove credits within the Introduction Area.

It is our hope that this additional information provide all information required by the IRT in pursuit of the Mitigation Bank Amendment. If you have any questions, please do not hesitate to contact us.